

TO: Administrator Pruitt
FROM: OCIR
CC: Troy Lyons, Tate Bennett
DATE: June 28, 2017
RE: Meeting with Governor Kim Reynolds (R-IA-Region 7)

PURPOSE: You are scheduled to meet with Governor Reynolds (R-IA) at 4:00PM. You spoke with her in February along with the Midwestern Governors' Association.

INFORMATION OF INTEREST: Gov. Reynolds previously served as Lt. Governor and was sworn in as Governor following Gov. Branstad's appointment as Ambassador to China. Region 7 has over 150 permitted biofuel plants.

TOPICS FOR DISCUSSION:

Deliberative Process / Ex. 5

EPA's Decision on Iowa Antidegradation Water Quality Rule

Background/Status:

On January 19, 2017, EPA disapproved revisions to the *Iowa Antidegradation Water Quality Rule*. The revisions to the Iowa Antidegradation Policy and Antidegradation Implementation Procedures became effective on August 12, 2016, and were submitted to EPA on December 12, 2016. The EPA disapproval was based upon the *Water Quality Standards Regulatory Revisions Rule* which became effective on August 21, 2015. On January 29, 2017, the Office of the Governor of Iowa requested that EPA reverse its disapproval decision.

The August 2016 *Iowa Antidegradation Water Quality Rule* provides a framework for maintaining and protecting water quality that has already been achieved. The provision disapproved relates to the analysis of alternatives. Before allowing a lowering of high quality water, states must find, after an analysis of alternatives, that such lowering is necessary to accommodate important economic or social development in the area of the water.

The basis for EPA's disapproval was the change from a 115% non-binding "rule-of-thumb" for evaluating the base cost of a new or expanding wastewater discharge to a binding, hard cap of 115%. For example, if a proposed discharge would require a base cost of \$100,000 to meet the state's existing water quality requirements, any alternative costing \$115,000 or more that would result in less or no *additional* water quality degradation could not be considered in the alternatives analysis. This "less degrading" alternative could not be chosen, even if it was met with public support. The hard cap of 115% precludes any discharger from providing additional water quality protection costing 115% or more of the base costs.

Message

Deliberative Process / Ex. 5